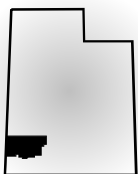


County Trends



Iron

June 2003

A Local Economic Perspective

Inching along towards growth. . .

Iron County's economy seems to be limping along. *True*, employment growing rather than declining. *True*, joblessness has eased somewhat. *True*, sales look really good. **But**, the labor market improvements are small and the huge increase in sales appears to be a onetime phenomenon.

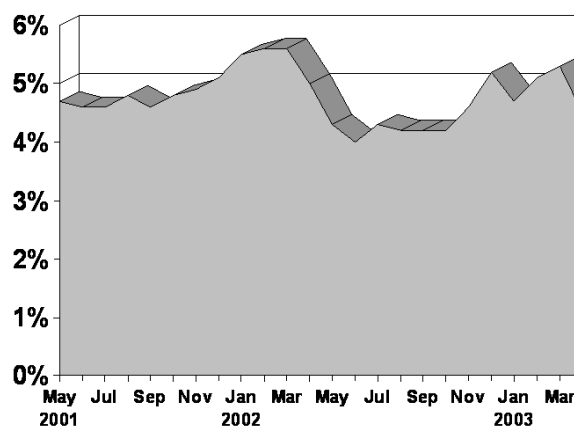
Labor Market Limping

The most recent job growth figures for Iron County aren't exactly anything to write home about. Between the fourth quarters of 2001 and 2002, Iron County's nonfarm employment base grew by a mere 1 percent—roughly 200 jobs. Of course, we're still talking expansion during a time of U.S. job declines.

Moreover, Iron County itself lost employment for most of 2001 and during three quarters in 2002. So, the current sluggish expansion is at least a move in the right direction.

Concurrent with the nominal total fourth-quarter gain, many industries actually showed job losses. All the recession-sensitive "goods-producing" industries (mining, construction, manufacturing) were down compared to the previous year. Trucking also showed a major drop. However, this loss is merely the result of the comparison to a singular surge in fourth quarter 2001 trucking employment.

Seasonally Adjusted Iron County Unemployment Rates

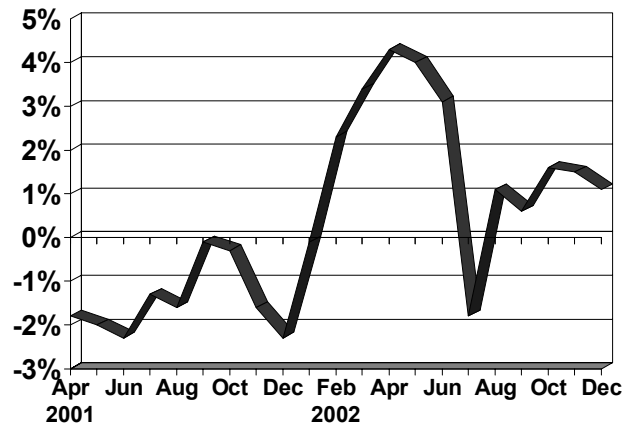


Source: Utah Department of Workforce Services.





Year-Over Change in Iron County Employment



Source: Utah Department of Workforce Services.

To the Point

Iron County's labor market isn't booming, but it is improving. That's good news. With the exception of a few months during 2002, the county has shown employment losses for the better part of two years. Unemployment is down somewhat and other economic indicators suggest the county is at least holding its own while the national economy sputters.

We do know more job losses will strike the county's numbers in first quarter 2003, even though that data is not yet available. The recent closure of telemarketing firms Infinium, and Allied and Market-Reps.Com will be counted then.

There are several positive notes to this employment tune in a minor key. Healthcare, finance/insurance and arts/entertainment/recreation made substantial employment gains. Plus, other industries added to the total.

This slight employment rise had a positive effect on joblessness. Iron County's April 2003 unemployment rate is down substantially from the beginning of the year. It currently measures 4.5 percent—noticeably lower than the Utah (5.3 percent) and U.S. (6.0 percent) figures. That level of joblessness is certainly tolerable (unless of course, you personally are unemployed).

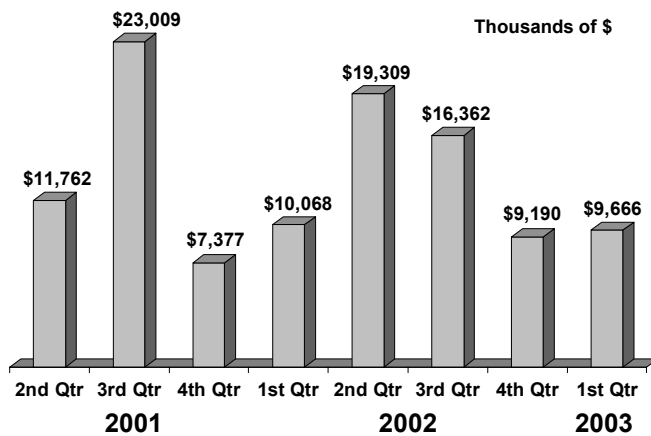
Building Steady

Iron County's construction permitting activity showed little change at the start of the new year. Between the first quarters of 2002 and 2003, the total value of construction authorizations dropped by a mere 4 percent. In the capricious construction world, a 4-percent decline represents mere "decimal dust." In other words, while construction isn't booming, it is holding its own.

A bulge in nonresidential additions/alterations/repairs helped keep construction afloat. Plus, while the number of home permits authorized dropped some-

Total Iron County Approved Construction Values

3



Source: Utah Bureau of Economic & Business Research.

what, their value actually increased by 14 percent. Most home-building is occurring outside the county's three largest towns.

What's Up with Sales?

Fourth-quarter 2002 gross taxable sales made a substantial leap. Figures from the Utah State Tax Commission show a 31-percent increase. Don't get too excited. Much of this gain can be traced back to a large business investment expenditure and an unusually large bulge in miscellaneous retail sales. These figures are unlikely to recur. However, even when these gains are excluded, the county still showed a 5-percent year-over increase in sales—a marked improvement from recent months.

A Final Word

Based on the most current indicators available, Iron County's economy is improving at a snail's pace. Because of its relatively heavy dependence on manufacturing employment, Iron County will always be more susceptible to recessionary winds. Much of the health of this county will reflect the state of a national economy which currently is sending no clear signals itself.

Lecia Parks Langston, Regional Economist
lecialangston@utah.gov, 435-688-3115



Quick Facts

April 2003

Unemployment Rate

Iron County	4.5%
Utah	5.3%
U.S.	6.0%

Dec 2002 Change from Previous Year

Job Growth

Iron County	1.1%
Utah	0.2%
U.S.	-0.2%

3rd Qtr 2003 Change from Previous Year

Construction Values

Iron County	-4.0%
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4th Qtr 2002 Change from Previous Year

Sales

Iron County	31.2%
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Source: Utah Dept of Workforce Services,
 Bureau of Labor Statistics,
 Utah Tax Commission,
 Bureau of Econ & Business Research.

For more economic information about Iron County see:
<http://jobs.utah.gov/wi/regions/county.asp>

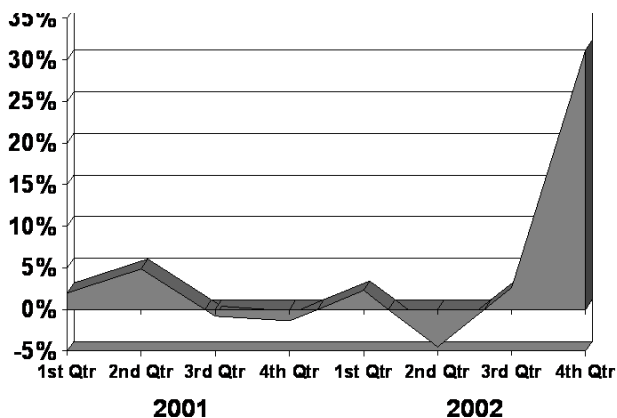
State of Utah

Utah Department of Workforce Services

140 East 300 South
PO Box 45249
Salt Lake City, UT 84145-0249

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Year-Over Change in Iron County Gross Taxable Sales



Source: Utah Tax Commission.

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.

What's Up?

- Tennessee-based Hampton said it has opened The Hampton Inn-Cedar City as the first of the brand's "small town" Hampton Inns. The Inn has 58 rooms, 38-percent fewer than a typical Hampton Inn.
- The issuance of \$2.5 million in general obligation bonds for the library's construction was finalized by the City Council. It is scheduled to be completed in August when the move from the old library will begin in time to dedicate the building in September.

For more economic events, see:

<http://jobs.utah.gov/wi/Regions/western/iron/ironsee.pdf>



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03-13WI-0603

Equal Opportunity Employment Program

Auxiliary aids and services are available upon request to individuals with disabilities. Call (801) 526-9240. Individuals with speech and/or hearing impairments may call the state relay at 1-800-346-4128

